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STATE FOR NEA/ARP, EEB/CBA  
COMMERCE FOR COBERG

E.O. 12958: N/A  
TAGS: [EINV](#) [ECON](#) [PREL](#) [MU](#)  
SUBJECT: DOW STILL INTERESTED IN POLYETHYLENE PROJECT

REF: A. MUSCAT 770

[1](#)B. MUSCAT 411

[1](#)1. (SBU) On August 22, Louis Vega, Dow Chemical's Director of Public Affairs for India, the Middle East, and North Africa, confirmed with Econoff that the company remained interested in working with the Omani government on constructing a polyethylene plant in the Port of Sohar industrial complex. Vega noted that Dow is in discussions with the Omanis on finalizing cost estimates, which have been reported to have risen from \$2 billion to close to \$4 billion. He stated that the project remains in the engineering design phase, and that board members of the Oman Petrochemicals Industries Company (OPIC) are working to reach closure on the "definitive project agreements."

[1](#)2. (SBU) Comment. The information provided by Vega confirms an earlier conversation with OPIC Project Manager Tony Smith (reftel B) and contradicts a July Chemical Week article (reftel A) that reported both Dow and the Omani government had agreed to postpone the project "indefinitely." Dow's continued interest in the project provides some welcome news to a port that is depending on the cornerstone project for foreign investment, employment, and volume for its container terminal.  
GRAPPO